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SUBJECT: A GUIDE TO THE BRITISH OVERSEAS TERRITORIES

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1.4 (b, c, and d)

Introduction and Summary

11. (C) The British Overseas Territories (BOT) are fourteen far-flung possessions under British sovereignty that hearken to the era when Britannia truly ruled the waves. One Foreign and Commonwealth Office (FCO) official accurately characterized the BOTs as "remnants of empire" -- acquired by Great Britain when the phrase "the sun never sets on the British Empire" could be spoken without a trace of irony. The territories run the gamut from remote locales without a permanent population, such as South Georgia and the South Sandwich Islands, to largely autonomous entities like Bermuda. Some, such as the Falkland Islands and Gibraltar, are subject to sovereignty claims by other nations - although the overwhelming percentage of the populations of both the Falklands and Gibraltar strongly prefer to remain under British rule. The British Indian Ocean Territory (BIOT, which includes the atoll of Diego Garcia), Ascension Island, and the Sovereign Base Areas of Akrotiri and Dhekelia on Cyprus, are notable for their strategic value to the US government.

12. (SBU) The BOTs comprise a mosaic of distinct cultural traditions, reflecting their worldwide locations. Since 2002, BOT citizens have been British citizens, with limited exceptions. However, the BOTs are not constitutionally part of the UK. Each has a distinct constitution and a unique legal relationship to the UK. HMG guarantees the defense of all BOTs and handles their foreign relations. Many aim for economic self-sufficiency, with tourism and finance playing a significant part in the economies of many BOTs.

13. (SBU) This telegram provides an overview of the BOTs. The FCO Country Profiles pages at www.fco.gov.uk offer specific information about individual BOTs, as does the CIA World Factbook. Both are valuable sources of in-depth information about the BOTs, as are the websites of many of the BOTs themselves. End Introduction and Summary.

What They Are

¶4. (SBU) The fourteen BOTs are, in alphabetical order, Anguilla, Bermuda, the British Antarctic Territory, the British Indian Ocean Territory (BIOT), the British Virgin Islands (BVI), the Cayman Islands, the Sovereign Base Areas of Akrotiri and Dhekelia on Cyprus, the Falkland Islands, Gibraltar, Montserrat, the Pitcairn Islands, Saint Helena and its dependencies (Ascension Island and Tristan da Cunha), South Georgia and the South Sandwich Islands, and the Turks and Caicos Islands. The BOTs are sometimes mistakenly lumped in the popular imagination with the Crown Dependencies. However, Crown Dependencies are possessions of the British Crown, as opposed to BOTs or colonies. Crown Dependencies are the Channel Island bailiwicks of Jersey and Guernsey and the Isle of Man in the Irish Sea.

¶5. (C) Facts and figures about each BOT are available on the FCO's Country Profiles pages at www.fco.gov.uk. As one FCO officer with extensive experience covering OT issues recently told Poloff, these territories are "the remnants of empire." Indeed, Britain acquired most of them at the apogee of its national power and prestige, with dates of acquisition ranging from the 17th to the early 20th century. Bermuda was the first, settled in 1609; Britain claimed the last, the British Antarctic Territory, in 1908.

¶6. (U) The overall population of the BOTs totals approximately 200,000, ranging from 67,000 in Bermuda to about 50 on the Pitcairn Islands. Some BOTs have a transient population, but no permanent inhabitants. For example, the

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inhabitants of South Georgia and the South Sandwich Islands include British officials, scientists, and support staff from the British Antarctic Survey who maintain scientific bases on the islands. The transient populations of the BIOT atoll of Diego Garcia and Ascension Island in the South Atlantic consist of U.S. and UK military personnel, as well as civilian contractors of various nationalities.

Where They Are

¶7. (SBU) Gibraltar and the Sovereign Base Areas on Cyprus are the only BOTs located in Europe and fall under EU jurisdiction.

-Five OTs -- Anguilla, the BVI, the Cayman Islands, Montserrat, and the Turks and Caicos Islands--are located in the Caribbean Sea. Bermuda is situated in the North Atlantic, off the U.S. coast on roughly the same latitude as Charleston, South Carolina.

-The Falklands, South Georgia and the South Sandwich Islands, Saint Helena, Tristan da Cunha, and Ascension Island are all located in the South Atlantic. Tristan da Cunha is the most remote inhabited island in the world, about 1700 miles west of Cape Town.

-The Pitcairn Islands, officially named the Pitcairn, Henderson, Ducie and Oeno Islands, are a group of four volcanic islands in the South Pacific 1550 miles southeast of Tahiti. Only Pitcairn Island - the second largest - is inhabited.

-The British Indian Ocean Territory (BIOT), which comprises the Chagos Archipelago and includes the atoll of Diego Garcia, lies between Africa and Indonesia.

-The British Antarctic Territory comprises that sector of the Antarctic south of latitude 60 degrees south, between longitude 20 degrees and 80 degrees west.

So What IS a British Overseas Territory?

¶8. (U) The BOTs are constitutionally not part of the UK. Each has a separate constitution. All have governors that are appointed by Queen Elizabeth II, except the uninhabited ones. For these, HMG appoints a commissioner, who is an FCO employee. The governors and commissioners dually represent HMG in the BOT and the BOT before HMG.

¶9. (U) Each BOT is constitutionally unique. The degree of self-government depends on the BOT's constitutional relationship with the UK. Larger, more developed BOTs are largely autonomous in regard to their internal affairs, as is the case with Bermuda, Gibraltar, the Falklands, and others. The common thread among them is recognition of UK sovereignty, acknowledgment of the Queen as the Head of State, and British citizenship.

¶10. (U) HMG can and will intervene directly and significantly in a BOT's internal government under extraordinary circumstances, as is presently the case in the Turks and Caicos Islands (see Paragraph 16). Larger BOTs, such as the Cayman Islands and the BVI, have popularly-elected legislatures and executive heads, and the UK-appointed governors have limited control over local affairs. For example, Gibraltar has an independent parliament and the governor does not intervene in local affairs; Bermuda is largely self-governed, and practically independent in all areas other than foreign relations and defense. The Falkland Islands and Saint Helena have elected legislative councils, but the governors appointed by the Queen are the heads of government. The Sovereign Base Areas of Akrotiri and Dhekelia have no locally elected government and are represented by the Commander of the British Forces in Cyprus. Cypriots who live in that BOT are subject to the

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laws of Cyprus.

¶11. (SBU) The BOTs are supported in HMG by the United Kingdom Overseas Territories Association (UKOTA). UKOTA acts like a lobbying group in London; it exists to promote and defend the common interests of the BOTs, as well as promote cooperation and common positions among BOT governments. UKOTA's members are the BOT governments themselves, represented by a delegate named by each government.

Who are BOT Residents?

¶12. (U) With the signing of the British Overseas Territories Act in 2002, nearly all residents of the BOTs became full citizens of the UK. There are limited exceptions. For example, those connected solely with the Sovereign Base Areas in Cyprus are not entitled to full British citizenship. Some BOT citizens had British citizenship prior to the 2002 Act, e.g. Falkland Islanders. The 2002 Act changed the official name of the areas from British Dependent Territories to British Overseas Territories.

¶13. (U) Although the BOTs are united by their common British sovereignty, they are a mosaic of different cultures. For example, Gibraltar is a melting pot of English, Spanish, and North African influences. The Falkland Islands are mostly populated by people of British origin, with more sheep than human beings on the islands. Bermuda and the Caribbean BOTs are vibrant mixtures of diverse cultures and languages. Unsurprisingly, these sunny BOTs are popular tourist destinations for UK residents. Some BOTs have unique languages or dialects. For example, Pitcairn residents speak "Pikern," a mixed language of 18th century English dialect infused with Tahitian elements.

Economy

¶14. (SBU) Tourism and financial services account for most of the revenue generated in the BOTs. Shipping and the sale of fishing licenses are also revenue sources for many BOTs. As philatelists know, the BOTs also generate revenue from the sale of postage stamps. HMG has, for example, issued stamps for the BIOT and the uninhabited British Antarctic Territory. Many BOTs are self-sustaining, except for defense costs. Saint Helena, the Pitcairn Islands, and Montserrat depend on subsidies from HMG. The BOTs do not make a direct contribution to the British Exchequer, although some contribute towards the cost of the governor and his staff.

¶15. (U) Bermuda has an economy roughly the size of all the other BOTs combined. Bermuda's economy is based on providing financial services for international business and tourism. According to the FCO, the Bermuda per capita GDP in 2007 was USD 91,477.

Problems -----

¶16. (C) The FCO has identified several problems facing the BOTs. According to the FCO, many BOTs face challenges common to all small island economies, i.e. smaller countries risk marginalization in a globalized economy. Some BOT economies are fragile because of dependence on one or two sectors (e.g. tourism and international finance). Some of the BOTs, especially those in the Caribbean, are vulnerable to drug-trafficking and associated crime. In some instances, the lack of a developed civil society, a strong legislature and/or a vibrant press mean there are few checks on the executive. For example, in July 2008, HMG conducted an inquiry into allegations of corruption in the Turks and Caicos Islands' government. The embattled Premier resigned and HMG intervened directly in governance (see ref A). The final report of the Commission of Inquiry has been delayed until the end of May, the FCO has confirmed. The islands are

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currently deeply in debt, due in large part to executive mismanagement.

Who Else Claims Them? -----

¶17. (SBU) Some BOTs are sources of international controversy based on competing sovereignty claims. Argentina invaded the Falkland Islands in 1982, but Britain retook them after a fiercely fought, seven-week-long armed conflict. Argentina's constitution claims the Falkland Islands, although Argentina agreed in 1995 to no longer use force to press its claim. HMG continuously rejects requests for sovereignty talks between the UK and Argentina, citing the strong preference of the Falklands' population to remain British subjects. Argentina also claims South Georgia and the South Sandwich Islands.

¶18. (C) HMG will contest Argentina's claim for sovereign rights (including oil and mineral rights) to seabed surrounding Britain's South Atlantic Overseas Territories, including the Falkland Islands. Great Britain will submit its own claim for seabed rights for its South Atlantic territories to the UN body that considers claims for seabed rights. HMG does not presently plan to file seabed rights claims for the British Antarctic Territory, but will reserve the right to make claims in the future (see ref B).

¶19. (SBU) Gibraltar was ceded from Spain to Great Britain in 1713 by the Treaty of Utrecht. Although Spain claims Gibraltar, the population overwhelmingly wants to remain under British sovereignty. HMG has affirmed that it will not consider independence or a power-sharing agreement with Spain without the consent of Gibraltar's citizens.

¶20. (SBU) Mauritius claims the Chagos Islands (BIOT), contending that the islands were "wrongfully detached" by the

UK before Mauritius became independent from British colonial rule. The BIOT has been the subject of a legal battle between HMG and some of the islands' former inhabitants, whom the UK relocated off the archipelago in the early 1970s. "Chagossians" and their advocates contest the legality of the islanders' resettlement and seek the right to return (see ref C).

Strategic Relevance

¶21. (C) Diego Garcia, in the BIOT, presently is home to a joint U.S.-UK naval support facility. The atoll is of vital strategic importance for defense purposes to the U.S. and UK, including in support of operations in Iraq and Afghanistan. (Note. For further information about the U.S. Navy Support Facility on Diego Garcia see www.cnmc.navy.mil/DiegoGarcia. End Note.) Ascension Island (Saint Helena BOT) is the location of Wideawake Airfield, which is a joint facility of the RAF and the U.S. Air Force. The island was used extensively by the U.S. during WWII and was integral to British success in the Falklands War.

¶22. (C) The Sovereign Base Areas of Akrotiri and Dhekelia on Cyprus are geographically distinct military bases. RAF Akrotiri is an important aircraft staging point and one of the few major RAF stations located outside the United Kingdom.

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